

EX PARTE OR LATE FILED

6560 Rock Spring Drive
Bethesda, MD 20817
Telephone 301 214 3347
Fax 301 214 7145
Telex 197800
Internet bruce.henoch@comsat.com

February 8, 2000

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: EX PARTE PRESENTATION IN IB DOCKET NO. 98-96
In the Matter of Biennial Regulatory Review -- Review of Accounts
Settlement in the Maritime Mobile and Maritime Mobile-Satellite Radio Services
and Withdrawal of the Commission as an Accounting Authority in the
Maritime Mobile and Maritime Mobile-Satellite Radio Services
IB Docket No. 98-96

Dear Ms. Salas:

COMSAT Corporation, through its COMSAT Mobile Communications business unit ("COMSAT") files this Ex Parte letter (and two copies) in response to the Reply Comments filed by Stratos Mobile Networks USA ("Stratos") in the above-captioned proceeding.¹ Because Stratos conveniently waited until the reply comment round to make its "offer" to the Commission, COMSAT is forced to file this Ex Parte letter to respond.

In its Reply Comments, Stratos states that it will accept the burden of becoming the "accounting authority of last resort" following the withdrawal of the Commission from this role. Stratos states that it will provide accounting authority services to U.S. government users at no charge for a period of at least two years. Stratos also provides that it will serve as the accounting authority of last resort for private users of maritime telecommunications services. Stratos does not offer to provide these services at no charge as it does for U.S. government users; in fact, Stratos asserts quite cavalierly that "[t]o the extent that a [non-government] user regards Stratos' accounting authority charge as too high, the user will remain free to use another private accounting authority."²

¹ Reply Comments of Stratos Mobile Networks USA, IB Docket No. 98-96, filed November 29, 1999 ("Stratos Reply Comments").

² Stratos Reply Comments at 5.

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COMSAT is troubled by Stratos' approach to this extremely important matter. Stratos obviously hopes to become the default accounting authority so that it may offer "one-stop shopping" to what it views as the most desirable class of mobile satellite service users: U.S. government customers. To this end, Stratos is willing to waive the normal accounting authority fees for this class of user. While Stratos is "also willing" to become the default accounting authority for private users, it does not guarantee any sort of attractive fee for these users, and in fact states that they can just go elsewhere if they find Stratos' fee too high. In short, Stratos hopes to use its proposed position as the default accounting authority to "cherry pick" what it views as the best customers and to cast the rest off to fend for themselves.

Clearly, Stratos badly misapprehends the duties and responsibilities that would attend to becoming the accounting authority of last resort. Given that many -- if not most -- mobile communications users are not fully cognizant of the significance -- or even existence -- of accounting authorities, the "default" accounting authority takes on a particular importance, as it is the accounting authority that will be assigned automatically when most terminals are activated. As such, it is extremely important that the default accounting authority: (1) provide its services on a wholly non-discriminatory basis; and (2) charge reasonable rates to all customers. The Commission has in fact amended its rules to explicitly require that rates charged by private accounting authorities be reasonable and non-discriminatory.³ The new rule also provides that private accounting authorities must make their services available "without undue discrimination against any customer or class of customer."⁴ Indeed, these rules apply to all private accounting authorities, but they are of particular importance when applied to an accounting authority of last resort, which by definition is required to provide service to all comers by default; it is not allowed to "pick and choose" its customers. Yet this is exactly what Stratos proposes to do, by making its services highly attractive to the customers that it wants and unattractive to those that it does not.

If the Commission takes the significant step of designating Stratos as the accounting authority of last resort, it should require Stratos to provide its services at a uniform and reasonable rate regardless to what "class" the customers fall into. The concept of an accounting authority of last resort -- where users are assigned an accounting authority by default -- would be rendered meaningless if Stratos were allowed to "cherry pick" the best customers by offering them free service while charging less desirable customers rates that would admittedly be unreasonably high. Stratos' statement that, "[t]o the extent that a [non-government] user regards Stratos' accounting authority charge as too high, the user will remain free to use another private

³ *In the Matter of 1998 Biennial Regulatory Review -- Review of Accounts Settlement in the Maritime Mobile and Maritime Mobile-Satellite Services and Withdrawal of the Commission as an Accounting Authority in the Maritime Mobile and Maritime Mobile Satellite Radio Services*, Report and Order and Further Notice of Proposed Rulemaking, IB Docket No. 98-96, FCC 99-150 (released July 13, 1999), at ¶¶ 19-22 ("Order").

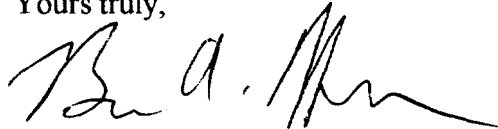
⁴ *Id.*

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accounting authority" shows a serious misunderstanding of the "default" accounting authority concept. As noted above, many -- if not most -- users are assigned to the default accounting authority because they may not fully understand the role that these entities play in maritime communications or because they do not believe that they have sufficient traffic to justify signing a contract with another accounting authority. Stratos cannot justify charging these customers higher rates just because other accounting authorities exist. If the situation were as simple as Stratos claims, there would be no reason to have a default accounting authority in the first place.

In short, if Stratos is to enjoy the benefits that accrue from being the accounting authority of last resort, it must accept the burdens that this responsibility entails as well.

Yours truly,

A handwritten signature in black ink, appearing to read "B. A. Hensch", written in a cursive style.

Bruce A. Hensch
General Attorney

cc: Donald Abelson, Chief, International Bureau
Jim Ball, International Bureau
Tom Tycz, International Bureau
John Copes, International Bureau